Passes orders *re* Deduction of Income-tax and Super tax at source as per Section 192 of the Income-tax Act, 1961

OFFICIAL MEMORANDUM.

No FD 2 RFC 63, DATED BANGALORE, 5TH JANUARY 1963

According to Section 192 (1) of the Indian Income-tax Act, 1961, persons responsible for paying any income chargeable under the head "Salaries" should, at the time of payment, deduct income-tax and super-tax on the amount payable, at the average rate of income-tax and average rate of super-tax, respectively, computed on the basis of the rates of tax in force for the financial year in which the payment is made, on the estimated income of the assesses under this head for that financial year The Income-Tax Officer, Salary Circle, Bangalore, has reported that some of the Drawing Officers are not complying with the above provision, with the result that in several cases there have been short recoveries towards Income-tax, entailing avoidable extra work and inconvenience all round.

2 Apparently, Government Officers disbursing salaries, allowances, etc , which are liable to Income-tax have not appreciated the extent of their responsibility in the matter Needless to add that they are personally responsible, so far as it lies in their power, to ensure that in respect of disbursements made by them, recoveries towards Income-tax are made correctly

3 Every year, changes in the rates of Income-tax and Super-tax are communicated by this Department and the Accountant General, Bangalore They are also published in the *Mysore Gazette* There should therefore be no difficulty to Disbursing Officers to discharge their responsibility under the Act

4 According to Article 89 of the Mysore Financial Code, Treasury Officers are responsible for the recovery of income-tax from Gazetted Government servants who draw their pay from the Treasuries on separate bills and also from pensioners In the case of non-gazetted staff, heads of offices are responsible for the deduction of Income-tax at the prescribed rates in the establishment pay bills Gazetted Officers who draw salaries on separate bills have of course a special responsibility to ensure (should make sure) that there is no short recovery in respect of their salary assessable to tax

5 Disbursing Officers should therefore insist on the filing of a true statement of the estimated income chargeable under the head 'salary' for the whole year, from every Government servant liable to pay the Tax, with his pay bill for March payable in April and effect recoveries towards the tax on the basis of such statements A similar statement showing the income for the closing year based on the actuals to end of February and that expected in March, the tax payable thereon for the whole year, the amount deducted up to end of February, and the balance of tax payable, should be obtained from each such Government servant in connection with the pay bill for February payable in March That statement should be carefully verified by the Disbursing Officer concerned and any short or excess recovery rectified in the pay bill for February itself without fail.

6 As suggested above, the salary statements for this year should be obtained along with the pay bills for January 1963 and the short recovery rectified should be collected in February pay bills payable in March 1963 Action taken in this regard may be communicated to this office *by 15th March 1963*

N. S BHARATH,

Deputy Secretary to Government,
Finance Department.

Printed by the Director of Printing, Stationery and Publications at the Govt Press, Bangalore.